



PER ASPERA AD ASTRA – THROUGH HARD WORK TO VICTORY

Interview with CEO of Conflex SPb Vladislav Yatsenko.

– How did Conflex start its business? Who was involved at its origin?

– In 1996–1997, a sharp trend emerged in Russia towards an increase in demand for packaging from domestic food businesses and large multinational food manufacturers that actively located production facilities in the country. At that time, about 90% of packaging was imported to the Russian market under import contracts. It became obvious that these materials were in demand. The idea for creating a business to produce flexible packaging was formed in 1998. The project initiators and founders of the company were Andrey Shchegelsky, Larisa Shchegoleva and Valery Kuzmin; they defined the project's strategy. Another team member was Aleksey Alekseev, who today is CFO. I joined the business in 2000 as executive director.



VLADISLAV YATSENKO

CEO of Conflex SPb

In 1999, commercial premises were purchased in St Petersburg, and we started creating engineering infrastructure. In 2000, after the equipment's delivery, installation and pre-commissioning work began.

The project's strategic goal was to build a large domestic production facility for flexible packaging for food and consumer products. We sought to establish a full-cycle enterprise that would include all the stages of packaging manufacturing: preparation and development of ready-to-print files, plate making, preparation of paints, printing, lamination, cutting, packaging, shipping.

Then we envisioned the production of 400–450 tonnes of packaging products per month. In March 2001, production was launched, with an official opening ceremony held on 7 June 2001. Over the following three quarters, 800 tonnes of packaging were released from the company's workshops. And at the moment we are shipping 850 tonnes per month.

Conflex entered the market quickly and energetically. We built a strong sales team and maintained a strong focus on advertising and participation in exhibitions and industry competitions. Of course, our promotion efforts were based on the solid foundation of the highly professional work of our operations team. As a result, in our third year, we broke into the top ten Russian manufacturers of flexible packaging.



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– Tell us about what Conflex is today: its production facilities, priority areas of development.

– We use the most up-to-date software and technologies in prepress and plate making. The company's printer fleet has four 8- to 10-colour machines from the global manufacturer Windmüller & Hölscher. We use two types of lamination in the post-printing processing: solvent and solventless, on laminators from Nordmeccanica and Comexi. The cutting area is equipped with high-speed, high-precision equipment from KAMPF. Quality control is implemented throughout the production process. The company is certified to FSSC 22000. The flexible packaging market is very competitive. According to independent experts, we have been among the top 10 Russian manufacturers in this segment for many years, and we do not intend to lose our position. We cover about 4% of total flexible packaging consumption in Russia, but as the market is steadily growing, our production volume is also constantly increasing.

IN 1996–1997, A SHARP TREND EMERGED IN RUSSIA TOWARDS AN INCREASE IN DEMAND FOR PACKAGING FROM DOMESTIC FOOD BUSINESSES

Our customers are quite demanding. All of the top 10 packaging manufacturers in the vast majority of cases work with major

An important focus area for us is to provide packaging options for end user ease of use. This gives an advantage to product manufacturers and should be supported by packaging producers.

– The coronavirus pandemic has affected the operations of different companies in various ways. What impact did lockdowns and restrictions have on Conflex?

– I can't say we were 100% prepared for such a development. And I do not think that anyone was prepared. But thanks to the established processes of our management system and food safety, which we are constantly improving, we were able to quickly respond to the situation and reinforce safety protocols for employees and our packaging products. We already had a system in place to deal with non-standard situations.

On the other hand, the situation prompted us to review many routine practices. For example, we began to actively use platforms for online meetings and meetups, and worked out in which areas remote work could be more effective.

It is worth noting that the crisis caused by the pandemic has demonstrated the advantages of our products in terms of their protective properties. Plastic packaging is a reliable barrier preventing viruses and bacteria from entering food. Due in large part to this, our industry has not experienced significant problems from the pandemic-induced fall in demand.



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– Packaging is one of the market segments which is accused of wasteful use of resources. A discussion about biodegradable materials and circular economy is actively under way. Where does the company stand in this discussion and how does it affect Conflex's business?

– In our opinion, this issue is considered from only one side in many discussions. People speaking out against plastic packaging focus only on its post-consumer life – on the stage of sorting and disposal. No one is denying that at the moment there are problems at these

QUESTIONS OF QUALITY, LOGISTICS, AND CUSTOMER SERVICE ARE THE DETERMINING FACTORS FOR BEATING COMPETITION

phases. In Russia, and in many other countries, waste recycling is still in its early stages. However, almost no one thinks about packaging production itself, the consumption of resources, including water and electricity, and environmental pollution during the production process. In this respect, plastic packaging is eco-friendly and safe compared to other materials.

At its production facilities, Conflex actively implements technologies that are environmentally friendly. A significant part of the waste generated is sorted and sent off to recyclers. At present, this is about 80% of total film waste. Over the past three years, we have invested heavily in cleaner production. For example, we have deployed a regenerative thermal oxidiser that cleans solutions, with an efficiency of 98%. We are willing to join the initiatives of major companies on the use of packaging from recycled materials, to support our partners' projects.

– In a previous interview (<https://magazine.sibur.ru/en/12/article/partners/packaged-in-russia/>) with our publication, you noted that import substitution in Russia has had a positive impact on the industry and your company. Tell us, has the process of domestic manufacturers entering foreign flexible packaging markets started?

– At the moment we can say that import substitution as a process has been completed. It has taken place, with Russian manufacturers of flexible packaging covering the needs of Russian businesses. Are Russian manufacturers entering foreign markets? Yes, very actively. Our company works with member countries of the Customs Union. Their interest in such cooperation is very strong.

THE CRISIS CAUSED BY THE PANDEMIC HAS DEMONSTRATED THE ADVANTAGES OF OUR PRODUCTS IN TERMS OF THEIR PROTECTIVE PROPERTIES

– Can you tell us about the key technological trends in the flexible packaging market?

– As already mentioned, the end customer is interested in packaging that has convenient additional uses. Based on this trend, we purchased laser equipment that allows us to supplement the packaging with several useful properties: micro- and macro-perforation, allowing the product to “breathe”. Back incisions and linear front incisions along the edges of the package (expected point of opening) make the process of opening easy, convenient, predictable. And options such as laser cutting a “window” in opaque materials as part of the laminate, help to give packaging aesthetical advantages in terms of emphasis and attractiveness of the design.

Now many product manufacturers are facing a significant challenge of data matrix digital labelling. This innovation also affects packaging manufacturers. We are actively involved in this process, and are ready to collaborate in the introduction of digital labelling together with our customers, as we see significant potential here.



Over its 20-year market history, Conflex has time and time again won prestigious Russian and European awards.

– SIBUR and Conflex have a long-standing business relationship. Can you tell us about this partnership?

– We are excited to join many areas of partnership that SIBUR is offering. We participate in the Export School programme, in webinars, and organise joint events. We involve our clients in SIBUR workshops (<https://businesspractices.ru/>) to build a common understanding of the film and polymer market, and trends in the domestic and global markets. We are successfully completing homologation programmes for new films. So, for example, we have successful cases across release films, tobacco film, barrier films and other new products that BIAXPLEN started producing in Russia and which were previously unique in the domestic market. Our specialists – process engineers and quality assurance team – actively interact with BIAXPLEN process engineers. One such working meeting of our specialists recently took place at our production facility.

THE END CUSTOMER IS INTERESTED IN PACKAGING THAT HAS CONVENIENT ADDITIONAL USES

– Does your company have a vision for the future? What will Conflex look like in 20 years?

– We have always been focused on growth, we have never stood still, upgrading equipment and technologies, expanding partnerships with both customers and suppliers, and following current trends and consumer demands. Our specialists are constantly improving their skills. At Conflex, it is common practice to be learning. Automation, digitalisation, ERP system, etc. are not just terminology, but a vital necessity for the company. All these shape how we see our future – a modern high-tech company focused on continuous development, meeting market demands, delivering value to shareholders and consumers, and creating opportunities for employee growth and development. At the moment our company's motto is: "We print the world. Try it and believe it." I think that the world will change, we will change with it, and our motto will stay relevant in the future.